



Labor & Economic Briefing

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Here is a summary of headlining accomplishments from the last 30 days:

Encouraging Economic & Urban Development

Governor's Cup Contest: Over the past six years, Michigan has had more new business developments and expansions than any other state in the nation, according to Site Selection magazine. In fact, the state's new development numbers outperform the nearest state by more than 2,000 projects. Michigan has welcomed more than 9,700 major new developments from 1997-2002. Results of the 2002 Governor's Cup competition were unveiled this month. Michigan was narrowly edged out by Illinois in the 2002 competition. Michigan reported 832 new developments, just three projects behind Illinois' 835 new projects. For the complete Governor's Cup information, visit Site Selection's Web site at <http://www.siteselection.com>.

#1 Small Town in the Nation: Congratulations to Traverse City recognized by Site Selection magazine as the number one small town in the nation for new business growth. The city welcomed 45 new or expanded businesses from 2000-2002, beating out Statesville, NC for the small town growth title. This is the first time Traverse City has claimed this ranking. Other Michigan small towns recognized in Site Selection top 50 national rankings include Coldwater and Cadillac (tied for 17th place) and Three Rivers and Menominee (tied for 46th place).

Communities Compete for Main Street: The competition to receive the coveted Michigan Main Street designation has heated up with 21 Michigan communities submitting letters of interest to MEDC to apply for the designation. The designation will allow at least two Michigan communities to receive intensive, year-round training on Main Street's effective downtown revitalization strategies, designed to create new jobs and investment in Michigan's downtowns. Designations are expected to be awarded by June 2003. For information, visit the MEDC Web site at <http://www.michigan.org>.

SmartZone Accelerators: Michigan's seven SmartZone business accelerators are moving full speed ahead. Since their inception, the accelerators have assisted more than 70 companies and helped raise more than \$165 million in capital for these firms. The companies served are just the beginning of the accelerators' reach. More than 50 additional companies have applied to receive accelerator assistance. The high demand for the accelerators' services can be attributed to the success stories of the firms already assisted. The products produced by the firms currently enrolled in the accelerator programs have a market potential of more than \$120 billion.

Urban Redevelopment: A \$675,000 federal Community Development Block Grant (CDBG) was recently awarded to Berrien County to help facilitate the creation of a vibrant downtown Benton Harbor residential neighborhood. The community plans to convert this underutilized downtown property, located near the central business district, into single housing family units. The funding will be used for various infrastructure enhancements. The development, known as Harbor Town, plans to create the highest-quality, integrated and diverse housing, townhouse, and commercial development possible inside the City of Benton Harbor as an anchor for redevelopment. More than \$3.1 million in private funding is expected to be invested in this project.

Ensuring Quality Health Care for Citizens

Nursing Scholarships Totalling \$30,000 Presented to Six Colleges & Universities: Gov. Jennifer M. Granholm and Director David C. Hollister presented \$30,000 to six Michigan colleges and universities to provide nursing scholarships. Each university and college is receiving a \$5,000 nursing scholarship grant as part of a program initiated in 2000 by CIS to address a national shortage in the nursing profession. The colleges and universities receiving the grants and the scholarship recipients are: Finlandia University, Hope-Calvin College, Kellogg Community College, Mott Community College, Oakland Community College, and Saginaw Valley State University. The program is expected to provide more than \$200,000 in scholarships this fiscal year for students pursuing an associate's or bachelor's degree to become a registered nurse.



**Governor
Jennifer M.
Granholm**

Protecting Worker Safety

Royal Oak Firm Veltri Metal Products Receives \$690,500 in MIOSHA Fines for Failure to Correct Workplace Safety

Hazards: The failure of a Royal Oak company to correct a range of workplace safety hazards and comply with commitments to improve overall safety and health for employees has resulted in proposed MIOSHA fines totaling \$690,500. Veltri Metal Products was issued Fail to Abate Notices with penalties of \$268,800, after a follow-up investigation conducted in 2002. Despite a formal settlement agreement from an inspection conducted in 2000, the follow-up inspection found that the firm refused to abate identified hazards. In addition, during the follow-up inspection, new violations were noted including with proposed penalties of \$325,200. Finally, the firm failed to comply with provisions of the formal settlement agreement to resolve the 2000 inspection. The agreement called on Veltri to improve overall safety and health for employees by working to strengthen lockout procedures and training, mechanical power press safety, and confined space training. The agreement included a reduction in the initial assessed penalty of \$96,500; however, this reduction has been revoked due to noncompliance with the terms of the agreement. The Fail to Abate notices (\$268,800), new violations (\$325,200), and the additional penalty from the settlement rescission (\$96,500), add up to a total penalty of \$690,500. If Veltri Metal Products had fulfilled their abatement obligations under the settlement agreement, their total penalty would be \$104,500. Because of their refusal to protect their workers, the company faces an additional penalty of \$690,500. Veltri Metal Products, Inc., formerly known as Hawthorne Production Stamping, produces automotive metal stampings with 240 employees at the Royal Oak location.

Employers Reminded to Post MIOSHA Injury/Illness Summary: Michigan employers were reminded they are required to post the total number of job-related injuries and illnesses, which occurred in 2002. Employers must post the MIOSHA Form 300A - Summary of Work-Related Injuries and Illnesses for three months, from Feb. 1 to April 30, 2003. The form is available on the Internet at <http://www.michigan.gov/miosha>. The Bureau of Safety and Regulation, which is responsible for the Michigan Occupational Health and Safety Act (MIOSHA), requires most Michigan employers with 11 or more employees to log and maintain records of work-related injuries and illnesses, and to make those records available during MIOSHA inspections of the workplace. Employers with 10 or fewer employees and employers in certain industry groups (retail trade; finance, insurance and real estate; and certain services industries) are normally exempt from the MIOSHA recordkeeping and posting requirements. Companies with no injuries and illnesses during the previous year are still required to post the MIOSHA Form 300A by putting zeros on the total line.

Assisting Jobless Workers

BW&UC Continues to Expand Customer Service Options for Jobless Workers: While most other state employees had the day off on Monday, February 17, in observance of the President's Day holiday, some unemployment insurance staff helped jobless workers by answering their calls to the Customer Relations Hotline (1-800-638-3995). Due to heavy call volumes, the Bureau of Workers' & Unemployment Compensation also recently expanded its hotline hours for a second time. Its newly expanded hours are from 7:00 a.m. to 9:00 p.m., Monday through Friday. It has also increased its staff to 63 and added a recorded message that greets callers with answers to their most frequently asked questions. Normally, the hotline is open weekdays from 8:00 a.m. to 5:00 p.m. and is closed on state holidays. The bureau recently opened six walk-in help centers in Dearborn, Detroit, Grand Rapids, Lansing, Madison Heights and Saginaw to better serve customers.

Workforce Transition Unit (WTS) Assists Employers and Displaced Workers: The Michigan Department of Career Development Workforce Transition Unit responded to 30 notices of planned plant closures or mass layoffs in the past month. (Contact was made with employers and their bargaining unit representatives in response to receipt of a WARN notice, letter, phone call, newspaper article, or other means of notification. A brief overview of available dislocated worker services was given, and depending on the number of jobs impacted, a formal on-site Rapid Response Meeting was scheduled or arrangements were made for the local Michigan Works! Agency to meet with the affected employees to provide information on services that are available.)

Other services provided:

- Conducted 14 rapid response meetings with employers and union representatives to provide detailed information on available dislocated worker services and gather information on the closing/layoff that will enable Michigan Works! service providers to assist the affected workers with the transition to new employment.
- Reviewed 10 new Trade Act petitions filed with the WTS. Petitions were checked for completeness/accuracy, logged in for internal tracking purposes, and forwarded to the U.S. Department of Labor for investigation and determination.
- Conducted 12 information meetings for workers certified under one of five new Trade Act petition certifications.
- WTS staff (3 rapid response consultants, 2 trade analysts, section manager and, secretary) responded to over 200 questions and requests for information related to the WARN Act, dislocated worker services, and the Trade Act.
- The Office of Workforce Development, Workforce Programs Division presented the legislature with the "Report on Former Work First Participants Fiscal Year 2003." The report tracks the progress of former program participants over the past three years who left the program for employment. The survey results were provided voluntarily by a sample of former participants. The full report is at <http://www.michigan.gov/mdcd>.

Making Homeownership Affordable

MSHDA Mortgage Rates Reduced to Record Low: Interest rates have hit an unprecedented low on home mortgages offered by the Michigan State Housing Development Authority. The 30-day offer will give low- and moderate-income residents more time to take advantage of the opportunity to realize the American dream of homeownership. Beginning March 17, MSHDA will finance 30-year, fixed rate loans to modest-income homebuyers at an interest rate of 4.875 percent, with no discount points charged at loan closing. The rate will be available through April 17 and prospective homebuyers can fill out a pre-qualification application on MSHDA's website, <http://www.michigan.gov/mshda>. For more information, prospective homebuyers may call 1-800/327-9158. Just last month, the Authority announced a 30-day extension on its 5.25% rate, at that time the lowest rate in the program's history. Compared to conventional interest rates of 6.0 percent, MSHDA financing will save the buyer on a \$70,000 loan approximately \$33 per month. The program is primarily for first-time homebuyers, but many localities in Michigan are exempt from this federal restriction.

Protecting Consumers

OFIS Takes Consumer Protection Action Regarding Credit Scoring Activity: The Michigan Office of Financial and Insurance Services (OFIS) issued Bulletin 2003-01-INS, which requires insurance companies to provide consumers with more information about the use of credit to calculate insurance rates. Michigan insurance companies must begin implementing the changes on July 1, 2003 and complete actuarial justification by June 30, 2004. The Bulletin requires insurance companies doing business in Michigan that establish consumer credit scores for insurance rates to recalculate scores annually or when a consumer corrects their credit history, provide detailed information about the company's use of credit, and justify the company's use of credit scoring. The OFIS report on insurance credit scoring is available at <http://www.michigan.gov/ofis> by following the credit scoring graphic at the bottom of the page or typing in the key words "credit scoring."

MPSC Issues Order Requiring DTE to File Report on Its Use of Consecutive Estimated Billing. The Michigan Public Service Commission issued an order on Feb. 5 requiring The Detroit Edison Company and Michigan Consolidated Gas Company (collectively known as DTE) to file a report by March 31 on their use of consecutive estimated bills. The Commission noted that the problem of consecutive estimated bills continues to be a primary cause of complaint calls to the Commission, despite DTE's earlier commitment to address the issue. Rule 12 of the Commission's Consumer Standards and Billing Practices for Electrical and Gas Residential Service permits a utility to estimate the bill of a residential customer every other billing month.

Michigan HMO 2002 Year End Financial Analysis Available Online: The Michigan Office of Financial and Insurance Services (OFIS) released the 2002 year end financial analysis for the state's health maintenance organization (HMO) industry. The statements can be reviewed on the web at <http://www.michigan.gov/ofis> or copies may be requested by calling OFIS toll free at (877) 999-6442. Annual and Quarterly reports for Michigan HMOs can also be found at: http://www.michigan.gov/cis/0,1607,7-154-10555_12902_18956---,00.html.

Providing Energy Assistance to Low-Income Michiganders

Governor Applauds PSC's Move to Speed Up Grant Process for Low-Income Energy Assistance. Gov. Jennifer Granholm applauded action taken by the Michigan Public Service Commission (MPSC) on Feb. 5th to speed up the process for low-income energy assistance grants at a time when cold temperatures have resulted in higher heating bills, leaving many low-income residents facing utility shutoffs. The move will expedite up to \$20 million in grant funds. "This action recognizes the need for the immediate release of these funds," said Governor Granholm. "We've got six more weeks of winter. We can't afford to make people wait months for help with their bills." Normally, the request for the submission of grant proposals would not take place until the fall of this year. The MPSC issued an order (Case No. U-13129) requesting that grant proposals be submitted to the Commission on or before February 19. The approved grants: FIA - \$17 million to expand the State Emergency Fund; Salvation Army - \$1 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available; MCAAA - \$1 million in a direct grant for low-income energy assistance; and THAW - \$1 million for the THAW Safety Net Program.

Investing in Energy Research & Education

NextEnergy Receives \$2 Million Federal Grant: NextEnergy received a \$2 million line item in the federal FY 2003 Energy and Water Appropriations Bill, which was signed by President George W. Bush last month. NextEnergy is a non-profit corporation located in the city of Detroit designed to establish Michigan as a world center of excellence for alternative energy technology education, research, development and manufacturing. For more information, visit <http://www.nextenergy.org>.

CIS Energy Office Awards Grants to Kettering University and Urban Options for Biofuel Education: The CIS Energy Office has awarded \$3,840 to Kettering University of Flint and \$5,000 to Urban Options of Urban Options for biofuel education projects. Kettering University will develop a web page to explain the use of ethanol-blended transportation fuels and focus on experience with ethanol-blended fuel in their Silverado truck and snowmobile. Urban Options will educate students about biofuels (ethanol and biodiesel) and organize a biofuel motor rally, which will tour various areas of the state. Students will inventory school buses and family vehicles and determine the emission reduction and other environmental impacts from using biofuels versus traditional petroleum-based fuels. The biofuel motor rally will start on Earth Day and tour various areas of the state for five days, stopping at schools along the way. Funding is made available through a grant from the U.S. Department of Energy. The grant is administered by the CIS' Energy Office through the Michigan Biomass Energy Program (<http://www.michigan-bioenergy.org>)

Matching Employers & Workers via the Michigan Talent Bank

More Than 15,000 Jobs Posted on Michigan Talent Bank in February: More than 15,000 job openings were posted on the the Michigan Talent Bank in February. Also in February, there were 30,268 new resumes added bringing the total of searchable resumes to 619,854. There were 52,829 Total Active Businesses with 854 new business registrations. The number of Job Orders posted was 5,839.

Michigan Talent Bank Survey Results Show High Satisfaction Rate: The most recent Michigan Talent Bank survey results indicate a high satisfaction rate for both job seekers and employers. The survey results are from October for job seekers and November for employers:

Job Seekers: 22% of those registering in October found employment after MTB registration; 45% applied for job for job openings listed in MTB; and 84% were satisfied with MTB resumes and job listings

Employers: 41% of those registering in November hired job seekers from MTB; 84% were contacted by qualified job seekers in response to their posted job order; and 97% said they would use MTB again.

Providing Career Development Resources

Michigan Rehabilitation Services Assists Residents. Michigan Rehabilitation Services (MRS) assisted 608 Michigan residents with disabilities into employment during February 2003. During the same period, MRS provided job-related services, such as vocational counseling and training, to 951 Michigan residents with disabilities who are preparing to enter the workforce.

Office of Workforce Development to Post FY02 Work First Report: The report of FY 2002 Work First participants will be available at <http://www.michigan.gov/mdcd>. Former Work First participants who responded to the survey provided information about their employment status, job training and skill enhancement, health care coverage, quality of life and the impact of Work First on their lives. Generally, respondents are still employed and feel that their household income is better or the same as when they were receiving cash assistance from the state.

Office of Career and Technical Preparation (OCTP) Surveys Career and Technical Education Students: In order to meet state and federal reporting requirements, OCTP has conducted a Follow-up Survey of Career and Technical Education students since 1976. The survey results provide valuable data on program effectiveness. Recently, OCTP staff reviewed and updated the survey instrument, developed a protocol manual and conducted training for school personnel on effective survey data.

Adult Education Sponsors Several English as a Second Language (ESL) Workshops: From May 2002 to the present, the Adult Education office has sponsored the following English as a Second Language (ESL) workshops for educators: Workplace ESL Program Development, Zero-Based ESL, ESL Program Development, Introduction to ESL Methodology, ESL Instructional Strategies, and training for the Crossroads Cafe and On Common Ground programs. The workshops are offered in three regions statewide and over 500 teachers have participated in the workshops to date. Before the end of this academic year, the following additional workshops will be offered: Migrant ESL, Distinguishing Language Proficiency Issues from Learning Disabilities, ESL Tutor Training, and ESL for Foreign-Born Professionals. While Adult Education teachers and administrators are targeted for this training, a number of K-12 teachers have participated as well. This initiative was funded through the new federal English Literacy Education grant, currently in the second of a three-year grant cycle.